

Bureau of the Budget

Guide for Appraisal of Staffing Requirements

PERSONNEL SERVICES

Fiscal Year 1952

The guide described below is established by the Bureau of the Budget as an aid in evaluating estimated staffing requirements for personnel services in agency budgets for the fiscal year 1952. It is issued as a part of the Bureau's program for the development and refinement of guides and criteria to be used in appraising staffing or cost requirements for activities common to many agencies of the Government (see Section 71 of Bureau of the Budget Circular No. A-11, dated June 30, 1950).

DEFINITION OF ACTIVITIES: Personnel services include the following activities performed for civilian employees (average annual employment of full-time, part-time, and intermittent employees) in the continental United States: (a) direction and administration of the personnel program; (b) employment, placement, and separation; (c) classification, job evaluation, and wage administration; (d) employee relations and services; (e) training; (f) committees of expert examiners and boards of Civil Service examiners; and (g) processing, recording, and reporting. Excluded from personnel services covered by the guide set forth below are personnel activities which are not generally common to most agencies of the Government, including health services, safety work, and certain personnel activities such as relations with labor organizations and performance of personnel work related to overseas civilian employees.

THE GUIDE: In reviewing agency budget requests for the fiscal years 1950 and 1951, the Bureau of the Budget used as its guide the basis that one employee performing personnel services for each 103 civilian employees constituted a minimum acceptable ratio under normal conditions. Additional information and analyses have not indicated any change at this time, and therefore the same guide ratio will be employed for evaluating staffing requirements for personnel services in agency budgets for the fiscal year 1952.

This guide is not intended to set a minimum or maximum level for staff engaged in personnel services. Rather, it specifies a level of staffing attainable by agencies not having unusual or difficult problems of personnel administration and against which actual or estimated staff may be compared. Findings from surveys of agency personnel activities, as well as the Bureau's experience in the review of personnel staffing ratios in agency estimates for the fiscal years 1950 and 1951, have demonstrated that agencies whose personnel activities are subject to a minimum of variables can meet or exceed this guide. The guide represents the performance ratio existing or

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exceeded in approximately one-fourth of all departments and establishments; in this group are small as well as large agencies, agencies with both centralized and decentralized organizations, agencies whose operations are concentrated and dispersed, and agencies with an extensive variety of personnel practices and problems.

APPLICATION TO THE 1952 BUDGET: Estimates and workload data submitted by agencies in response to Section 75 of Bureau of the Budget Circular No. A-11 will be reviewed by the Bureau on the basis of the guide described above. Consideration will be given both to factors identified in agency justifications as warranting staff in excess of that indicated by the guide and to the existence of unwarranted practices that needlessly consume staff time. Each agency will be advised of the budget determinations.

Justifiable Variables. Special circumstances or factors may cause staffing to be high in some agencies. Such factors will be considered when described and factually supported in budget justifications and when they constitute substantial rather than isolated conditions. Following are examples of such factors which may deserve consideration:

Personnel services performed for other agencies or for employees not on the agency's pay roll.

A significantly higher rate of personnel turnover than exists in most Federal agencies.

Geographical dispersion of personnel activities to a large number of personnel offices.

Large seasonal or periodic employment.

The need for a substantial amount of recruitment in scarce skills categories.

Unusually large numbers of applicants for positions.

Special requirements of laws or regulations not applicable to all agencies.

A major reorganization of an agency or a number of minor reorganizations.

Abnormally high backlogs of work, generally in classifying or reclassifying positions.

Unwarranted Practices. In addition, unwarranted practices such as those listed below will be taken into consideration in making budget determinations for personnel services.

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Failure to delegate responsibility and commensurate authority to the lowest practicable organizational level. (Agencies having extensive field organizations should, for example, delegate adequate authority to their field officials for the classification of positions and the appointment and separation of employees.)

Review of work performed by subordinate personnel offices in excessive detail. (Control of delegated authority by review of papers is generally unnecessary, unsatisfactory, and expensive. Such practice requires preparation and routing of additional forms or extra copies of forms as well as duplicate reviews and filing. Executive control should be exercised through periodic inspections or site audits to determine that prescribed procedures are followed and that the quality of work is satisfactory.)

Elaborate and costly paper processes such as maintenance of duplicating record systems and unofficial personnel files, over-control of paper processing, unnecessary multiple-copy operations, overly complex procedures, and over-specialization of records. (Elaborate paper processes are often the result of a failure to delegate authority or control delegations properly, but in some instances complex paper systems have been the gradual result of inadequate attention to minimum record requirements.)

Unnecessary work in relaying and interpreting Civil Service regulations to field offices. (Extensive relaying and reissuance of Civil Service regulations to field offices are not warranted. Field personnel offices may deal directly with Civil Service Commission district offices in applying and interpreting Civil Service regulations.)

Over-specialization of employees engaged in personnel activities. (The volume of work in small personnel offices does not generally warrant the specialized assignment of full-time employees to classification, placement, employee relations and other personnel activities. In such offices, combinations of activities such as placement and classification or placement and employee relations are desirable.)

August 23, 1950

Bureau of the Budget

Guide for Appraisal of Staffing Requirements

FISCAL SERVICES: PAY ROLL, LEAVE, AND RETIREMENT ACTIVITIES

Fiscal Year 1952

The guide described below is established by the Bureau of the Budget as an aid in evaluating estimated staffing requirements for pay roll, leave, and retirement activities in agency budgets for the fiscal year 1952. It is issued as a part of the Bureau's program for the development and refinement of guides and criteria to be used in appraising staffing or cost requirements for activities common to many agencies of the Government (see Section 71 of Bureau of the Budget Circular No. A-11, dated June 30, 1950).

DEFINITION OF ACTIVITIES: Pay roll, leave, and retirement activities include the following operations performed in connection with the payment of salaries and wages to civilian employees (average annual employment of full-time, part-time, and intermittent employees) in the continental United States: the maintenance and reconciliation of pay cards; the maintenance of control registers; the preparation and verification of change slips or equivalent; the preparation, verification, and certification of pay rolls; the handling of bond authorizations, changes and cancellations; the preparation of tax-withholding forms; the review of time and attendance reports, audit of leave records, and conduct of a fiscal leave adviser's function in a decentralized leave operation, the review of time and attendance reports, and maintenance and audit of leave records in a centralized operation; the maintenance of retirement records; the preparation of reports (excluding accounting and budgetary reports), and schedules of disbursements, voucher deductions, etc., in connection with pay roll work; the distribution of checks, bonds, and tax forms; direct supervision of the activity; and other related pay roll, leave, and retirement work. Also include, for mechanized pay roll operations, that portion of the machine operators' time chargeable to pay roll work.

THE GUIDE: One employee performing pay roll, leave, and retirement activities for each 220 civilian employees on the rolls constitutes a minimum acceptable ratio under normal conditions.

This guide is not intended to set a minimum or maximum level for staff engaged in pay roll, leave, and retirement activities. Rather, it specifies an attainable level of staffing under conditions which are usual in many Government agencies and against which actual or estimated staff may be compared. Findings from surveys of pay roll activities and from use of work measurement systems in a few agencies, as well as the Bureau's experience in the review of pay roll staffing ratios in agency estimates

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for the fiscal years 1950 and 1951, have demonstrated that agencies whose pay roll operations are subject to a minimum of variables can meet or exceed this guide.

APPLICATION TO THE 1952 BUDGET: Estimates and workload data submitted by agencies in response to Section 76 of Bureau of the Budget Circular No. A-11 will be reviewed by the Bureau on the basis of the guide described above. Consideration will be given both to factors identified in agency justifications as warranting staff in excess of that permitted by the guide and to the existence of unwarranted practices that needlessly consume staff time. Each agency will be advised of the budget determinations.

Justifiable Variables. Special circumstances or factors may cause staffing to be high in some agencies. Such factors will be considered when described and factually supported in budget justifications and when they constitute substantial rather than isolated conditions. Following are examples of such factors which may deserve consideration:

A substantial number of pay changes involving computation, such as deductions for meals, quarters, or leave without pay or varying payments for overtime or night work or for per diem or piece work employees.

A high personnel turnover rate, resulting in an unusually large number of routine pay changes.

A large pay roll operation decentralized to numerous offices, necessitating extensive supervisory control over subsidiary pay offices.

The necessary payment of a large number of employees on a weekly instead of a biweekly basis.

Distribution of salary obligations to a large number of appropriations, cost accounts, or other subsidiary classifications.

Backlogs of work, generally in balancing or checking old tax, bond, and retirement records. (This factor would warrant only a temporary increase in staff requirements.)

Unwarranted Practices. In addition, unwarranted practices such as those listed below will be taken into consideration in making budget determinations for pay roll, leave, and retirement activities.

Maintenance of complete service history data on retirement records. (Civil Service regulations require the posting of only limited employee service history data on Forms 2806.)

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Photostating or otherwise duplicating retirement records. (Regulations do not require the maintenance of duplicate sets of retirement records. The duplicating of original records in order to obtain extra sets or in order to maintain retirement records for employees who have transferred or resigned is not warranted; inquiries with respect to retirement records for former employees may be routed to the Civil Service Commission.)

Conduct of pay roll, leave, and retirement work in other than the fiscal organization. (Reconciliation of pay cards and retirement records with the controlling general ledger accounts is made more difficult when the pay roll, leave, retirement function is handled elsewhere than in the fiscal office and responsibility for all related fiscal functions is divided.)

Division of responsibility for pay roll activities and retirement activities between two or more organizational units -- for example, where payrolling is performed by a fiscal office and retirement records are maintained by a personnel office, or where pay roll activities are performed in field offices and retirement activities in Washington. (Such division of responsibility results in unnecessary paper work occasioned by the transfer of data from pay cards at one location to retirement records at another.)

Assignment of pay roll, leave, and retirement work, respectively, to different employees. (Organization of pay roll, leave, and retirement work in such a manner that one employee handles all activities for a group of employees, known as the "block control" system, has been found more economical. Division of this work among separate employees frequently results in over-specialization, makes the scheduling of work more difficult, and tends to encourage staffing for peak periods.)

Maintenance of several small, uneconomical pay roll offices when a centralized pay roll unit would suffice.

Review of work performed by subsidiary pay offices in excessive detail. (Effective control over subsidiary pay offices should be confined to occasional inspections to determine that procedures are followed. Control should not be exercised through a detailed review of postings and other operations.)

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Preparation of pay rolls for per annum employees by the agency instead of by the Division of Disbursement of the Treasury Department. (The typing or duplicating of these pay rolls by agencies is generally uneconomical because the rolls can be prepared mechanically by the Treasury Department at the time checks are written.)

Maintenance of leave records in a central unit when a decentralized leave operation would suffice. (Decentralization of the maintenance of leave records to the level where leave is granted has been found more economical. Maintenance of leave records on a decentralized basis utilizes fractional time in operating units and avoids duplicate record keeping.)

Use of weekly pay rolls where biweekly payment of salaries would suffice.

Unnecessary payment of salaries in cash instead of by check.

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Guide for Appraisal of Staffing Requirements

FISCAL SERVICES: VOUCHER EXAMINATION ACTIVITIES

Fiscal Year 1952

The guide described below is established by the Bureau of the Budget as an aid in evaluating estimated staffing requirements for voucher examination activities in agency budgets for the fiscal year 1952. It is issued as a part of the Bureau's program for the development and refinement of guides and criteria to be used in appraising staffing or cost requirements for activities common to many agencies of the Government (see Section 71 of Bureau of the Budget Circular No. A-11, dated June 30, 1950).

DEFINITION OF ACTIVITIES: Voucher examination activities include such operations, performed in the continental United States, as the actual audit or examination, before certification, of vouchers or claims (chargeable to object classes 02 through 16) and their supporting documents for legality, propriety, completeness, mathematical accuracy, and adequacy of the distribution of charges required for processing the voucher -- whether the action is accomplished on each document individually or on a number of assembled documents, and regardless of the organizational location in which the work is performed; the maintenance of records, controls, and supporting document files; the receipt of the voucher or claim, supporting documents, and the assembly of such documents; the handling of inquiries and correspondence in connection with the audit; and direct supervision of the activities. Excluded are such preparatory work as the typing of vouchers; coding, listing, or allocating of charges by appropriations, funds, or cost accounts; and operations of a similar nature.

THE GUIDE: One employee to examine 3,500 vouchers a year constitutes a minimum acceptable ratio under normal conditions.

This guide is not intended to set a minimum or maximum level for staff engaged in voucher examination activities. Rather, it specifies an attainable level of staffing under conditions which are usual in many Government agencies and against which actual or estimated staff may be compared. Findings from surveys of voucher examination activities, as well as the Bureau's experience in the review of voucher examination staffing ratios in agency estimates for the fiscal years 1950 and 1951, have demonstrated that agencies not having large numbers of complex vouchers or other variables can meet or exceed this guide.

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APPLICATION TO THE 1952 BUDGET: Estimates and workload data submitted by agencies in response to Section 76 of Bureau of the Budget Circular No. A-11 will be reviewed by the Bureau on the basis of the guide described above. Consideration will be given both to factors identified in agency justifications as warranting staff in excess of that permitted by the guide, and to the existence of unwarranted practices that needlessly consume staff time. Each agency will be advised of the budget determinations.

Justifiable Variables. Special circumstances or factors may cause staffing to be high in some agencies. Such factors will be considered when described and factually supported in budget justifications and when they constitute substantial rather than isolated conditions. Following are examples of such factors which may deserve consideration:

A voucher workload composed in large part of relatively complex vouchers, such as those for extended travel, communications, payment under cost-plus-fixed-fee contracts, etc.

A high percentage of vouchers involving allocations to a large number of appropriations, allotments, cost accounts, or other subsidiary classifications that must be verified as a part of the audit.

A large voucher audit operation decentralized to numerous offices, necessitating extensive supervisory control over subsidiary audit offices.

A voucher workload so small that the audit cannot be performed by full-time and specialized audit personnel.

Unwarranted Practices. In addition, unwarranted practices such as those listed below will be taken into consideration in making budget determinations for voucher examination activities.

Detailed review of work performed by auditors. (The maintenance of an audit review unit to check regularly the work performed by auditors is not warranted and frequently results in duplicate audits.)

Examination by auditors in a fiscal unit of vouchers already examined in detail by supply or other units. (This constitutes duplication of work. Where it exists, the review performed outside the fiscal office should be eliminated. Vouchers and supporting documents should be subject to a single administrative examination for audit purposes.)

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Transmittal of vouchers to Washington for certification and payment following a detailed audit in the field. (The practice of transmitting vouchers to a Washington headquarters for certification often results in a duplicate audit. It is generally sufficient that vouchers be certified for payment in the field.)

Examination of vouchers in subordinate field offices followed by a detailed re-examination at a regional level. (Voucher audit work should preferably be consolidated in regional or other offices that are sufficiently large to warrant employment of full-time specialized auditors. In such instances, audits at subordinate field offices should be eliminated.)

Audit of rates on transportation vouchers. (Rate audits are the responsibility of the General Accounting Office. Since 1942 disbursing and certifying officers have been exempt from liability for payment of transportation vouchers at incorrect rates -- 49 U.S.C. 66 and 31 U.S.C. 82c, 82g.)

Maintenance of duplicate individual vendor records for audit purposes. (Current liquidation of obligations and the maintenance of an appropriate system of administrative accounts which reflect accounts payable are required by regulations of the GAO. Observance of these regulations generally eliminates any need for additional records to show the amounts or status of payments to individual vendors or payees.)

August 23, 1950

Bureau of the Budget

Workload Factors and Performance Criteria

PROPERTY MANAGEMENT ACTIVITIES

Fiscal Year 1952

The Bureau of the Budget has not established specific guides for use in appraising requirements for personnel engaged in property management activities. The Bureau will, however, in its review of agencies' 1952 budgets examine specially selected workload factors and performance ratios for two categories of agency property services: procurement activities and storage and issue activities. This statement describes the workload factors and performance ratios to be used in appraisal of these activities. It is issued as a part of the Bureau's program for the development and refinement of guides and criteria to be used in appraising staffing or cost requirements for activities common to many agencies of the Government (see Section 71 of Bureau of the Budget Circular No. A-11, dated June 30, 1950).

DEFINITION OF ACTIVITIES: The two categories of property management services to which the workload factors and performance ratios set forth below are applicable include the following activities performed in the continental United States:

- (1) Procurement - activities involved in receiving, modifying, completing or otherwise processing requests to initiate procurement; soliciting and analyzing bids or otherwise selecting suppliers; negotiating and arranging terms for purchase; preparing obligation documents; following up on orders and shipments; modifying and terminating contracts; and the general clerical, record-keeping, management, and control of procurement activities. These activities apply to the procurement of supplies, materials, equipment, printing and reproduction, and services charged to object class 07 (including specialized equipment charged to objects other than 09). Excluded, however, are activities dealing with certain specialized types of procurement, such as that performed under the Strategic and Critical Materials Stockpiling Act, procurement for market support or foreign relief or rehabilitation purposes, procurement of transportation services from common carriers, and procurement or rental of real property. Work involved in preparing specifications is included where performed by procurement staff, but development of technical specifications by specialized engineering or program staffs is excluded.
- (2) Storage and issue - activities involved in receiving, inspecting, recording, storing, or rejecting supplies,

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materials and equipment; operating storage centers and warehouses; pricing and filling requisitions from stocks; maintaining inventory and stock issue records; preparing materials for delivery and preparing shipping documents; conducting physical inventories; initiating action to maintain proper stock levels; and the general clerical, record-keeping, management, and control of storage and issue activities. Activities dealing with maintenance of cupboard stocks (supplies and materials maintained at the point of consumption to meet day-to-day needs) or shop stocks (which are maintained in repair and maintenance shops) are excluded.

The workload factors and performance ratios described below will not be applied to other property management activities, which are comprised in large part of property utilization and disposal activities, cataloging and item identification activities, traffic management services, and real property management.

WORKLOAD FACTORS AND PERFORMANCE RATIOS: It is recognized that a number of different criteria should be used as a basis for evaluating performance of procurement and storage and issue activities. Transactions handled, line items, salary costs, value of material procured or handled, etc., all have some significance under varying circumstances. The dollar value of the material procured and issued will be used by the Bureau of the Budget as the primary basis for evaluation, however, because it has proved to be the best measurement unit yet available and can be best related to budget estimates. This does not preclude the use of other criteria for supplementing the primary data in instances where such additional information is available and needed. The specific performance ratios to be used are:

- (1) The cost of buying and supplying to users a dollar's worth of material. (In some instances, separate appraisals will be made of the cost of buying a dollar's worth of material and the cost of storing and issuing a dollar's worth of material.)
- (2) The value of stores' inventory in relation to the average monthly value of issues from stores.

APPLICATION TO THE 1952 BUDGET: Estimates and workload data submitted by agencies in response to Section 77 of Bureau of the Budget Circular No. A-11 will be reviewed by the Bureau on the basis of the workload factors and performance ratios applicable to procurement and storage and issue activities described above. Budget estimates for these activities will be appraised in several ways. Trends in an agency's cost ratios will be reviewed in relation to increasing or decreasing volumes of procurement and of storage and issue and to program changes. In some instances, the estimated cost of the activities will be appraised in the light of their relationship to ranges of cost in other agencies, particularly in comparison to costs in agencies with similar volumes of procurement,

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similar programs or using similar supplies and materials. The number of months of stores' inventory on hand will be examined in relation to the average monthly rate of issues. Consideration will be given to any variables or special characteristics of procurement and storage and issue work identified in agency justifications which have an effect on staffing or inventory level requirements. Consideration will also be given to unwarranted practices which contribute to higher staffing and inventory levels. Each agency will be advised of the budget determinations.

Justifiable Variables. Special circumstances or factors may cause staffing and inventory levels to be high in some agencies or programs. Such factors will be considered when described and factually supported in budget justifications and when they constitute substantial rather than isolated conditions. Following are examples of such factors which may deserve consideration:

Need for a substantial amount of supplies and materials that are in short supply.

Need for numerous items that must be contracted for individually.

Special handling, packing, shipping, processing, measuring, etc., required for a substantial volume of supplies and materials.

Unusually long time required to secure replacement deliveries.

Special need for materials that must be immediately on hand when needed even though need is infrequent or irregular.

Need for storing and issuing a large portion of all materials purchased instead of delivering directly to users.

Large stocks of certain items maintained due to receipt of surpluses from liquidating or reducing agencies.

Material in excess of current needs maintained in view of approved, impending program expansion.

Stocks in excess of current needs because agencies are in liquidation or reduction.

Essential maintenance of inventories or purchase centers at numerous locations due to requirements of the agency's program.

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Unwarranted Practices. In addition, unwarranted practices such as those listed below will be taken into consideration in making budget determinations for procurement and storage and issue activities.

Unnecessary storage facilities at successive organizational levels.

Failure to make full and efficient use of General Services Administration procurement, warehouse, and Federal supply schedule services. (As a general rule, those types of supplies available from General Services Administration or on Federal supply schedules should be obtained from the General Services Administration or by use of Federal supply schedules, as the case may be. In addition, field offices should use the nearest facilities of General Services Administration field supply centers, in order to avoid excessive transportation charges. Also, those agencies that negotiate few purchase contracts can ordinarily use the procurement services of General Services Administration more economically than by maintaining their own contracting facilities.)

Overcentralization of routine controls which cause unnecessary reviews of procurement requests as they flow from field station to regional office to bureau headquarters, etc.

Channeling material through storage centers which can be delivered directly to users when received without destroying essential controls. (The practice of routing supplies and materials through warehouses should be avoided in all cases where supplies and materials can be delivered directly to users without losing essential control of inventory levels.)

Warehousing of items that should be obtained from suppliers as needed.

Failure to consolidate and schedule purchases, resulting in numerous small, expensive transactions.

Failure to distinguish between replenishable items (need for which can be estimated from past consumption) and non-replenishable items (one-time purchases) in estimating future requirements.

Failure to declare as surplus and initiate disposal action on materials and supplies that are in excess of requirements.

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